

# Community Development Corporation Grant Program (CDCGP) Application Workshop

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FY 2006 Program  
April 1, 2005

# Introductions:

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# Today's Presentation:

- Review guidelines
  - Including applicant eligibility, project types, outcome-based funding
- Review application forms and attachments
- Explain application rating and review process
- Provide key pointers
- Q & A

# Handouts:

- Copy of Application
- Copy of PowerPoint presentation
- Copy of Income Limits Chart

# Our Goal for Today is:

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- To help you understand the CDCGP;
  - To determine if this program will fit the needs of your project;
  - To determine if your organization is eligible, and;
  - To provide assistance to complete the application.

# Overview of Application Layout:

- Table of Contents
- Guidelines
- Application Forms A-H
- Attachments 1 - 6



# Guidelines



See pages 3-13

# The CDCGP is:


- A program that encourages communities to work together to redevelop economically depressed areas;
  - Designed to directly benefit persons of low and moderate income (LMI)\*;
- \*Use income limits handout as a guide for determining LMI.




# FY-2006 Grant Limitations:

- Maximum grant amount = \$75,000
- FY-06 total appropriations = \$
- Maximum applications per CDC = 1
- Must either be new or expanded programs offered by the CDC
- Projects must be designed for completion within the project year (closed June 30, 2006)

# CDCGP Applications are:

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- A competitive process
  - Designed to encourage steps toward self-sufficiency
  - Designed to leverage other funds
  - Designed to fund projects that effectively address the need

# CDCGP Applications are:

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- Designed to create the direct involvement of the targeted community
  - Designed to encourage collaborations and partnerships
  - Results oriented and outcome-based

# Eligible Applicants Criteria:

- CDC's defined in RsMO 135.400
- Recognized as private, non-profit, community-based organizations
- Registered & in good standing to do business in Mo.
- 501(c)(3) designated/granted tax-exempt status from IRS
- A community-based organization with a statement of purpose in their Articles of Incorporation and Bylaws that match the intent of the CDCGP

# Eligible Applicants Criteria:

- A majority of the members of the governing body of the CDC must reside in the CDC's area of geographic focus or own a business in the area
- Faith based organizations meeting criteria:
  - One church or one person does not have authority to appoint more than one-half of the Board;
  - Participants are not required to participate in worship services or worship activities;
  - CDC organized under separate non-profit status than church and holds separate 501(c)(3)

# Eligible Applicants Criteria:

- Community Action Agencies incorporated as CDC
- Community Action Agencies recognized as a Certified Housing Development Organization (CHDO)

# Ineligible Applicants:


- Main Street organizations
- Units of Local Government
- Community Action Agencies not organized as a CDC
- Community Action Agencies not recognized as a CHDO
- Primary health care facilities

# Ineligible Applicants:

- Partisan organizations
- Organizations not meeting full requirements of CDC
- Organizations with IRS rulings other than 501(c)(3)



# Project Category Selections:

- 
- Applicants may apply under one or multiple categories;
  - All applicants must indicate on the application all of the categories selected

# Eligible Project Categories:



There are 3 project categories:

1. Economic development projects
2. Housing projects
3. Human services projects

# Economic Development Projects:

There are 3 types of eligible Economic Development projects:

1. CDC owned commercial development/redevelopment\*
2. CDC owned and operated incubators\*
3. CDC operated microenterprise loan programs\*

\* All Economic Development Projects must be developed for the purpose of job creation

# Commercial Development or Redevelopment Activities

- Property ownership must be maintained by the CDC during rehabilitation/construction
- The property must be within CDC jurisdiction or target area
- The project may be new construction or rehabilitation of an existing building
- Occupants must propose to create jobs

# Incubators

- Must be CDC owned and operated
- Must promote startup and growth of local businesses
- Must be designed to offer affordable physical space and “overhead support”
- Must be designed to offer management services and technical assistance at a cost effective rate
- Occupants must propose to create jobs

# Microenterprise Loan Programs

- Operation of a revolving loan program limited to businesses of 5 or fewer employees
- Loan program must include application and loan documents
- Loan program must use Loan Review Board
- CDC must indicate capacity to collect and service the loans
- Loan program must have written underwriting criteria (interest rates, loan terms, minimum and maximum loan amounts, loan amounts offered per job created or retained, collateral requirements, collection and default procedures.

# Housing Projects:



There are 3 types of eligible housing projects:

1. New construction
2. Rehabilitation
3. Down payment assistance

# New Construction

- May be single family owner occupied homes owned and occupied by LMI
- Single family renter occupied homes owned by the CDC and occupied by LMI
- Multi-family owned by the CDC and occupied by LMI
- LMI must be income qualified using income limits chart (See Handout)
- Construction must meet local codes
- Rents must be structured to be affordable (HUD Fair Market rent schedule)



# Rehabilitation

- May be single family owner occupied (owned and occupied by LMI)
- May be single family renter occupied (owned privately, occupied by LMI, owner must participate financially in rehab and offer 5-year affordable rent control)
- May be multi-family (owned privately, occupied by LMI, owner must participate financially in rehab and offer 5-year affordable rent control)
- Rehab must meet local codes
- Rents must be structured to be affordable (HUD Fair Market rent schedule)

# Down Payment Assistance

- Benefit may not exceed 50% of required down payment
- Closing costs are eligible
- Homes purchased must meet local codes
- Recipients must be LMI
- Mortgage lenders must be HUD approved

# Human Services Projects:



There are 2 types of eligible Human Services projects:

1. Job training/placement
2. Credit counseling and budget counseling

# Job Training/Placement

- Provides underemployed or unemployed with educational and life skills necessary to obtain beneficial employment and improve their quality of life
- May include GED, workforce development and life skills building

# Credit & Budget Counseling

- Credit counseling should incorporate participation of HUD approved counseling agencies
- Budget counseling may be provided by the CDC staff with an appropriate curriculum established

# Ineligible Projects & Use of Funds:

- No direct grants to homeowners may be made (construct your projects accordingly)
- No direct grants to private businesses may be made
- No monuments or memorials are allowed
- Long-term residential care and nursing homes are not eligible

# Ineligible Projects & Use of Funds:

- Contributions or donations may not be made with CDC funds
- No fixed or permanent improvements owned or maintained by units of local government may be served
- Food pantries are not eligible
- Primary health care programs are not eligible
- CDC funds may not be used for endowment funds

# Outcome-Based Funding:

- All projects must declare outcomes and numbers of beneficiaries for each category under which they are applying
- Estimates must be provided by quarter in the application
- Actual numbers will be requested by grantees quarterly and at project close-out
- Outcomes that are to be measured are provided to applicants by category
- Additional outcomes may be tracked by the CDC



# Application Review Process:

- Initial screening – eligibility; application complete
- Initial review – two raters; 100-point score; scores averaged, all scores compared; if there is more than a 10 point differential in the two scores, a third examiner will rate the application; determine high scores to move to final phase
- Committee review – committee evaluation including telephone interviews.
- Recommendations for award

# Application Scoring:

- 100-point scale
- Narrative-All Projects (possible 50 points)
  - Questions 1-9 are worth up to 4 points apiece
  - Questions 10-16 are worth 2 points apiece
- Possible 50 remaining points scored on:
  - Strategy to Address Need –12 points
  - Impact – 12 points
  - Project Readiness – 14 points
  - Financing – 12- points

# Application Scoring:

Applicants will be deemed INELIGIBLE if:

- They are missing original signatures or have the wrong person signing the forms
- Missing or incomplete Form F
- Previously funded projects not closed by end of fiscal year

# Application Scoring:

- Applications will have POINTS DEDUCTED if they are:
  - Missing or incomplete Forms A-E, G, H
    - 5 points per Form
  - Missing or incomplete Attachments 1-6
    - 5 points per Attachment
  - Previously funded projects not meeting performance targets
    - 5 points

# Application Scoring:

- Same project funded for 2 years or more
  - 4 points
- Projects requesting less than 60% CDCGP funds for Direct Expenses
  - 4 points
- Missing required copy of application
  - 1 point

# Application Preparation:

- Submit one original and one copy
- Keep a copy of the application for your records
- Submit only one application from your organization
- Include all Forms and all Attachments in order (use Forms provided)
- Application must be either typewritten or computer generated

# Application Preparation:

- Use staples, binder clips or 3-ring folders to bind the original application and the copy
- Please do not use hard cover binders
- Include the number of the Narrative question on your response
- Respond to all Narrative questions for all categories for which you are applying

# XYZ CDC-Form B

2005 CDCGP Narrative Questions – All Projects

AP-1: We propose to.....

AP-2:

(through AP-15)

sample



# Application Preparation:

- Faxed applications or e-mailed applications will not be accepted
- Do not use font size or pitch smaller than 12-point
- Use 8 x 11 paper for Narrative Questions
- Letters of Commitment must accompany the application

# Application Deadline

- **The DUE DATE is FRIDAY, April 22, 2005**
- Mailed applications must be postmarked by **FRIDAY, April 22, 2005**
- We recommend that you send your application by return receipt or registered mail –**Not all letter carriers print the postmark on the packages.**
- All hand-carried applications must be delivered to HST Rm.770 CDCGP office no later than 5:00 pm on **Friday, April 22, 2005 – Proof of delivery receipts must be obtained from CD staff**



# Application Forms and Attachments



See pages 1-18

# Form A – Applicant Information

## Notes:

- Number 3 project type requests if CDC is creating a new program or a program they are currently providing
- Check all project categories that apply
- Number 6 calculates cost per beneficiary
- Form A may be provided to media or legislature

# Form B – Narrative Questions – All Projects

Notes:

- All applicants must answer these questions AP-1 through AP-16
- Include the number of the Narrative Question on your response
- AP-5 describes beneficiaries by demographic characteristic (numbers should match Form A Question 6)

# XYZ CDC-Form B

2005 CDCGP Narrative Questions – All Projects

AP-1: We propose to.....

AP-2:

(through AP-16)

Sample

# Form C – Category Specific Narrative Questions

- Answer all sets of questions for each category under which you are applying
- Include the number of the Narrative Question on your response
- Clarify how your process will accomplish the project without making direct payments of CDC funds to beneficiaries (e.g. down-payment assistance funds are provided to lender at home closing from CDC, not paid directly to homebuyer)

# XYZ CDC-Form C

## 2005 CDCGP Narrative Questions – Specific Categories

ED-I-1: The property is located at.....

ED-I-2: .....

(through ED-I-7)

HS-JTP-1: The training is.....

HS-JTP-2: .....

(through HS-JTP-7)



# Form D - Budget

- Instructions are found on pages 3 & 4
- Complete budget for entire project
- Request only funds specific to this project
- Include all other sources of funds by name
- Minimum budget on direct expenses are 60% of total CDCGP grant request
  - Ex. Request \$75,000 of CDCGP,  
Minimum Direct Expense \$45,000**

# Form E – Budget Justification

- Copy exact budget request from Form D & compare to Form E
- Provide specific explanation of how the figure was derived (e.g. if CDC salaried employee is included show calculation for portion of salary requested)
- Respond for all expense line items
- **Think out all expenses that your project will need.**

# Form F – Signature Authorization

- Original signature must be the Board President
- Form F must be dated
- Board President must be authorized by Board to submit application

# Form G – Board of Directors

- Use additional copies of the Form if necessary to include all members of the Board of Directors
- Complete each question for all members

# Form H – Outcome Performance

- Estimate direct beneficiaries proposed to achieve outcomes by each quarter
- Numbers must match Form A - Question 6 and Form B - Question AP-5
- Applicants may create additional outcomes
- Grantees will report actual numbers quarterly and at project closeout

# Attachments

- Attachments 1- 6 are required and must be included with the application
- Review all detail of attachments for “required” or “accepted” status
  1. Letters of commitment
  2. Budget pages
  3. Proof of NFP status
  4. Map
  5. Articles of Incorporation – highlighted
  6. Bylaws – highlighted

Look at each Attachment !

# Key Pointers

- Answer the narrative questions as if you are describing your project to a stranger; don't assume....rather explain and describe;
- Double check the Forms and Attachments before you send the application;
- Review the rating criteria before you complete the application;
- Make sure your project is well thought out and formed before you apply.



# Questions ?

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**Deadline & Postmarked by:**

**Friday, April 22, 2005**

Thank you and Good Luck!